BRITISH COLUMBIA

BC STATS Infoline

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highlights

a weekly digest of recently released British Columbia statistics

Prices

- **British Columbia's consumer price index (CPI) rose 1.4% during the 12-month period ending in July.** The year-over-year increase in the CPI was the largest since January 1996. Prices were up in six of eight major expenditure categories, at rates ranging from 0.6% for alcohol and tobacco products to 4.6% for transportation. The large increase in the cost of transportation was due to a 14.0% hike in gasoline prices and an 11.2% jump in the cost of intercity (mainly air) transportation, combined with smaller, but still significant, increases in other transportation-related prices.

  Canada's inflation rate was 1.8% in July. Among the provinces, inflation rates were lowest in Saskatchewan (+1.2%), BC, Newfoundland and PEI (all at +1.4%). Residents of Alberta, New Brunswick and Manitoba faced the biggest increase in the overall price level (+2.1%). Vancouver's CPI was up 1.0% from July 1998, less than in any other metropolitan area. The inflation rate in Victoria was 1.5%. *Source: Statistics Canada*

- **The steady downward trend in the cost of housing in the province moderated in July, as shelter costs were virtually unchanged (+0.1%) from a year earlier.** The cost of rented accommodation rose 0.5%, but the price index for owned accommodation fell (-2.1%) for the 50th consecutive month. Excluding shelter costs, BC's inflation rate was 2.0% in July, almost equal to the national average (+2.1%).

  Source: Statistics Canada & BC STATS

The Economy

- **Exports of BC products continued to increase in June, rising to 13.7% above the level in the same month last year.** This marked the fifth time this year that exports have risen at double-digit rates. Exports of all major commodity groups except industrial goods (-1.6%) were up significantly in June, with energy products (+53.9%) making the strongest gain. International sales of forest products, BC's main export commodity, grew a healthy 10.6%. Forest product exports have been expanding for almost a year.

  Nationally, exports rose 15.1% in June. Ontario (+22.5%) left most of the other provinces in its dust as exports of auto products roared ahead. In PEI, agriculture and fishing products boosted exports to 22.6% above the June 1998 level, while Alberta's exports grew 9.6%, as forest product, industrial goods and machinery and equipment exports all rose more than 20%.

  Source: Statistics Canada & BC STATS

- **The strong gains in BC during the first half of this year (+12.8%, year-to-date) represent a recovery from a very weak export performance (-10.6%) during the same period of 1998.** A 23.1% increase in exports to US markets (year-to-date) was the main reason for the improvement. In addition, exports to Japan were 0.5% higher than in the first six months of last year. Much of the ground lost since mid-1997 has now been regained, as BC has seen a steady expansion in the value of its exports during the last year. *Source: Statistics Canada*

- **Shipments of goods manufactured in British Columbia were up 0.6% (seasonally adjusted) in June.** The increase was almost entirely due to a 3.3% improvement in the durable goods sector, where shipments rose in 7 of the 9 main industry groups. Wood manufacturing, the largest industry within this sector, posted a 4.8% gain. The non-durables sector did not do as well.

Report **Leonardo da Vinci at the Royal BC Museum**

Did you know...
Canadians spent 28.7 billion minutes making long distance calls (within the country, to the US, and overseas) in 1997. That's an average of 16 hours per person. And it doesn't include calls made to Canada from other countries.

Overall, shipments were down 2.9%, and both the paper (-6.3%) and food (-1.9%) industries posted declines. Canadian shipments rose 0.4% in June, led by a 4.3% increase in Newfoundland. Quebec (+1.4%), PEI (+0.9%), Ontario (+0.7%) and BC also outperformed the national average. All three prairie provinces recorded declines. *Source: Statistics Canada*

- **During the second quarter, manufacturing shipments in BC rose to 1.9% (seasonally adjusted) above the first quarter level.** Shipments by the wood industry were up 6.6%, partly due to higher prices. In the paper industry, which has faced lower prices for products such as newsprint, shipments were down 3.0%. Nationally, the value of manufacturing shipments rose 1.6% between the first and second quarters of this year. Nova Scotia (+9.7%), Alberta (+8.4%) and New Brunswick (+7.5%) posted increases in excess of five percent. In the rest of the country, shipments grew more moderately, at rates ranging from 0.3% in Quebec to 4.7% in Newfoundland. Shipments were down in Manitoba (-0.9%) and Saskatchewan (-2.1%).
Source: Statistics Canada

- **Retail sales continued to seesaw, increasing 0.5% (seasonally adjusted) between May and June after falling 1.0% in the previous month.** Sales were up in all but three provinces, rising 0.3% at the national level. PEI (+4.9%) and Alberta (+1.9%) posted the strongest increases.
Source: Statistics Canada

- ***Unadjusted* retail sales were down 0.4% from the second quarter of 1998, largely due to lower sales by retailers of automotive (-3.0%) and food (-0.4%) products.** Offsetting these declines were higher sales by general merchandise (+4.4%), clothing (+2.8%), drug (+2.3%) and furniture (+1.0%) stores. Automotive retailers (motor vehicle dealers, service stations, and auto parts and accessories stores) recorded their sixth consecutive quarterly decline.
Source: Statistics Canada

- **Sales by wholesalers in the province increased 0.9% (seasonally adjusted) between May and June, rising to $3.2 billion.** BC was one of only four provinces where wholesale sales rose during this period, and it led the provinces in terms of growth. Canadian sales of lumber and building materials were up 1.2% in June, boosted by a booming US market. This was very likely a factor in BC's strong showing. Nationally, wholesale sales were unchanged in June, as advances in the construction and machinery-related sectors were offset by a 1.8% drop in motor vehicle sales, which account for about a fifth of total wholesale sales.
Source: Statistics Canada & BC STATS

- **Wholesale sales in the province rose 2.9% (seasonally adjusted) between the first and second quarters).** This compares to a 2.1% increase at the national level. *Source: Statistics Canada*

- **Motor vehicle sales in the province were up 3.4% in June.** The increase in the number of vehicles sold in BC, the fifth in as many months, was primarily due to a 27.9% jump in the number of overseas-manufactured vehicles sold. Sales of North American-made cars, trucks and vans were virtually unchanged (+0.1%) from June 1998. Canadian vehicle sales were up 2.7%. Vehicle sales rose in six of the provinces, increasing the most (+20.0%) in Newfoundland.
Source: Statistics Canada

Tourism

- **885,000 non-residents entered Canada via BC in June.** This was 3.5% more than in the same month of 1998, but represented the lowest rate of increase in nearly a year. The main reason for this was a slowdown in travel from south of the border. Entries by US residents were up only 2.7% in June. However, visitors from overseas took up some of the slack. Overseas entries rose 7.3% as entries from Asia continued to pick up (+8.8%, the fifth straight monthly increase), and visits from Europe remained well above last year's level (+6.8%).
Source: Statistics Canada

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Infoline Report:

Leonardo da Vinci at the Royal British Columbia Museum

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Originally published in March 1999 issue, *Tourism Room Revenue*. Annual subscription: $60 + GST

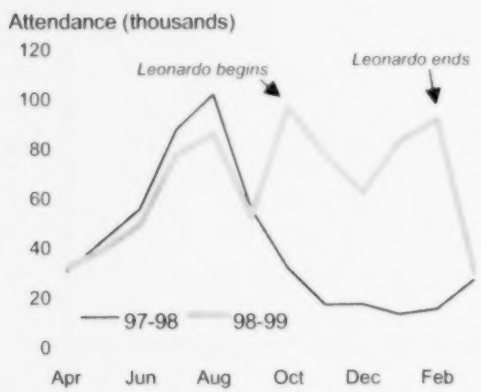
Do special events draw visitors?

A report[1] on the economic impact of the Royal British Columbia Museum's recent exhibit– *Leonardo da Vinci: scientist, inventor, artist* (held from October 1, 1998 through March 6)– suggests that this major exhibit had a substantial impact on the economy of southern Vancouver Island. Other indicators also support this finding.

A $92.4 million boost to Victoria's economy

Total spending by the 342,400 out-of-town visitors who came to Victoria to see the exhibit was estimated at $92.4 million. This additional revenue accrued to a variety of businesses, including food and beverage services (restaurants and bars), accommodation services, retail outlets, transportation, attractions and recreation. About a third ($32.4 million) of the spending was by people whose main or only reason for coming to the city was to see the exhibit.

Leonardo kept attendance near peak-season levels



Off-season attendance soared

The exhibition ran through the off-season, and boosted the museum's visitation numbers to summer-like levels. Ticket sales for the exhibit reached 416,600. This does not include school and other groups who saw the exhibit but did not purchase tickets.

In total, the Royal British Columbia Museum had paid attendance of 436,700 during the period from October 1998 through March 1999. This was nearly three times the number of visitors the museum had a year earlier (117,400).

Leonardo exhibit visitors

Visitor origin	*Same-day*	*Overnight*	*Total*
	(thousand visitors)		
Southern Vancouver Island	74.2	0.0	74.2
Other BC	43.5	105.7	149.2
Other Canada	4.1	50.6	54.7
Washington	15.8	68.8	84.6
Other North America	6.6	38.6	45.2
Rest of World	0.0	8.7	8.7
Total	144.3	272.3	416.6

Source: Royal British Columbia Museum

Where did the visitors come from?

Findings from an exit survey indicated that most (82%) of the visitors to the exhibit were from outside the southern Vancouver Island region, and that eight of every ten out-of-town visitors stayed at least one night in the Victoria area.

The exit survey found that 197,500–over half (58%)–of the out-of-town visitors probably would not have travelled to Victoria without the exhibit to draw them. For one in four (103,300) visitors, *Leonardo* was their only reason for coming to Victoria, while for another 94,200 people from out of town, the exhibit was their main reason for visiting the city.

Among the *incremental* visitors (those who probably wouldn't have visited Victoria without the exhibit), two-thirds stayed overnight in the Victoria area. About half (63,100) of the overnight visitors came from other parts of BC. The exhibit also drew 12,900 visits from other provinces, and 56,800 from the US or Mexico. Just over 400 overseas visitors came to Victoria solely or mainly to view the *Leonardo* exhibit.

[1] *Economic Impacts of the Leonardo Da Vinci Exhibit for the Southern Vancouver Island Region*, prepared for the Royal British Columbia Museum by C.E. Wetton Associates.

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Room revenue was boosted...

Room revenue statistics show that hotels and motels in the Capital Regional District benefited from the exhibit. Hotel and motel properties in the CRD earned $8 million more during the six months of the exhibit than in the same period a year earlier, a 23.1% gain. During the six months previous to the exhibit–the peak tourism season–revenue was up 8.1%.

CRD room revenue

Room Revenue		
	April-Sept.	*Oct.-March*
1997-98	$91.6	$35.4
1998-99	$99.0	**$43.6**
% change	8.1%	23.1%

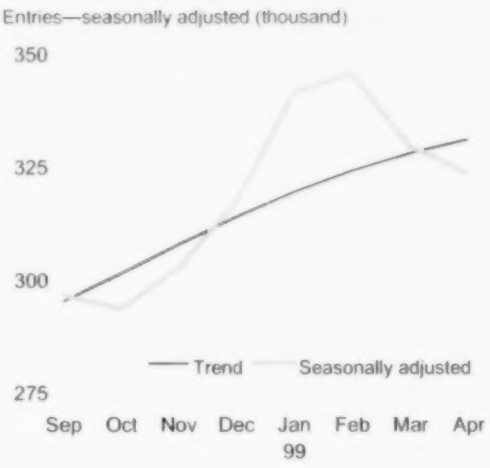
By comparison, the rest of BC saw more modest increases in room revenue. The period of the *Leonardo* exhibit saw revenue 8.5%, while in the pre-exhibition period it advanced 1.8%.

...and the exhibit may have contributed to an increase in visits from the US

There were 57,300 *Leonardo* attendees from Washington, and another 16,200 from other parts of the US or Mexico, who wouldn't have travelled to Victoria had the exhibit not been showing. Nearly 57,000 of these visitors stayed overnight in Victoria, while the rest were same-day travellers. Some of these travellers might have added a side trip to Victoria while travelling in BC, but it is likely that a significant number of Americans came to BC just to see the exhibit. While there are no hard and fast numbers to show the extent to which this occurred, an examination of US entry data for the period suggests that the exhibit had an impact on cross-border trips.

The chart below shows the magnitude of the difference between the trend line for US overnight entries, which has been climbing for five years, and the seasonally adjusted figures for the period of the exhibition. For the period October through March, seasonally adjusted data exceed the trend line by about 35,000 US overnight visitors. It is likely that a significant number of these additional visitors were attracted to the province by the exhibit, although other factors such as a low Canadian dollar may also have played a role in their decision to travel to BC.

US overnight entries far higher than expected for Leonardo period



Ferry traffic

Another suggestion of increased visitation to Victoria comes in the form of ferry passenger statistics. While the number of passengers carried on BC Ferries routes has been slowly falling over the past couple of years, a notable exception to the trend occurred in January and February on the Swartz Bay to Tsawwassen route (connecting Victoria to the mainland). There were increases of roughly 11% in each of the two months, while the general trend recently on the route has been flat. These increases are particularly noteworthy as there was some stormy weather during the winter months, causing an unusually large number of ferry cancellations due to high winds.

Was there a lag effect?

It is interesting to note that there appears to have been a lag between the exhibit's opening and the jump in ferry traffic and flood of Americans that crossed the border. This suggests that it may have taken a couple of months for word to get out that the exhibit was worth attending and for travellers to then plan a trip to Victoria.

Infoline

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BC at a glance . . .

POPULATION (thousands)	Apr 1/99	% change on one year ago
BC	4,028.3	0.7
Canada	30,482.9	0.9
GDP and INCOME		% change on
(BC - at market prices)	1997	one year ago
Gross Domestic Product (GDP) *($ millions)*	109,347	3.3
GDP *($ 1992 millions)*	98,201	2.2
GDP *($ 1992 per Capita)*	24,775	0.1
Personal Disposable Income *($ 1992 per Capita)*	16,340	-2.3
TRADE ($ millions)		
Manufacturing Shipments (seas. adj.) Jun	3,029	9.6
Merchandise Exports (raw) May	2,355	13.6
Retail Sales (seasonally adjusted) Jun	2,769	1.0
CONSUMER PRICE INDEX		% change on
(all items - 1992=100)	Jul '99	one year ago
BC	112.0	1.4
Canada	110.8	1.8
LABOUR FORCE (thousands)		% change on
(seasonally adjusted)	Jul '99	one year ago
Labour Force - BC	2,058	0.9
Employed - BC	1,881	1.2
Unemployed - BC	178	-2.6
		Jul '98
Unemployment Rate - BC *(percent)*	8.6	8.9
Unemployment Rate - Canada *(percent)*	7.7	8.4
INTEREST RATES (percent)	Aug 18/99	Aug 19/98
Prime Business Rate	6.25	6.50
Conventional Mortgages - 1 year	7.25	6.75
- 5 year	8.05	7.15
US/CANADA EXCHANGE RATE	Aug 18/99	Aug 19/98
(avg. noon spot rate) Cdn $	1.4830	1.5332
US $ *(reciprocal of the closing rate)*	0.6741	0.6521
AVERAGE WEEKLY EARNINGS		% change on
(industrial aggregate - dollars)	May '99	one year ago
BC	622.77	1.3
Canada	605.83	0.3

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Earnings } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bank-banque-canada.ca/english/wfsgen.htm

Released this week by BC STATS

- Consumer Price Index, July 1999

Next week

- Business Indicators, August 1999
- Current Statistics, August 1999

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